

Metropolitan Wastewater Department

Sewer Rate Adjustment, Reversal & Credit Q&A



Background

On May 18, 2007, the San Diego County Superior Court approved a class action lawsuit settlement affecting sewer rates for the City of San Diego. The lawsuit alleged that the City had overcharged Single Family Residential customers for sewer services while undercharging other customers until rates were revised in October 2004. The settlement requires the City to reimburse Single Family Residential customers approximately \$40 million over the next four years. The San Diego City Council approved adjustments to sewer rates on November 1, 2007.

Quick Facts about the Settlement

- Sewer Rates have been temporarily adjusted for all sewer customers
- Most SFR Customers qualify for a rate reversal and a credit

Q: Are my rates being adjusted?

A: Rates have been adjusted for all sewer customers.

Q: How have my rates been adjusted?

A: Sewer rates have been adjusted in two ways:

- All City sewer customers saw an increase to their existing sewer rates by 3.05% starting November 1, 2007. Another 3.05% increase to existing sewer rates will start on May 1, 2008.
- “Eligible” City Single Family Residential customers only saw the two increases reversed and a share of the settlement in the form of a monthly credit appear on their bill.

Q: Who qualifies for a rate reversal and credit?

A: “Eligible” Single Family Residential customers.

Q: What is an “eligible” Single Family Residential customer?

A: An “eligible” Single Family Residential customer is someone who received sewer service to their property within the ten year period prior to October 1, 2004. Single Family Residential customers who began sewer accounts after that date are not receiving a rate reversal or a monthly credit.

Q: How much is the monthly credit?

A: The monthly credit is approximately \$3.25 per month for about four years.

Q: Can I have the credit in one lump sum?

A: No. The credit is being dispersed monthly over the next four years based on the total amount to be distributed per the Settlement Agreement.

Q: I live in a condo or apartment will I receive the credit?

A: It depends. Do you have your own water meter? If not, you are a Multi-family Residential Customer and will not receive a credit. However, if you have your own water meter and you qualify as an “eligible” Single Family Residential Customer, you should be receiving a credit.

Q: Why are only “eligible” Single Family Resident Customers getting a credit?

A: The settlement requires the City to reimburse “eligible” Single Family Residential customers approximately \$40 million over the next four years as they are the class of customers that were allegedly overcharged as stated in the lawsuit.

Q: Where can I get more detailed information?

A: Examples of projected bills for typical residential and commercial customers can be found online at www.sandiego.gov/mwwd.

Q: Is there someone else I can talk to about this information?

A: Metropolitan Wastewater Department staff would be happy to assist you. Please call their Public Information Office at (858) 292-6484.